

**STATE OF TEXAS
DEPARTMENT OF INFORMATION RESOURCES
VOLUME PRICING CONTRACT**

Whole Security, Inc.

This **VOLUME PRICING CONTRACT** for the acquisition of security Confidence Online Software licenses and related services is entered into between the State of Texas, acting by and through the Department of Information Resources with its principal place of business at 300 West 15th Street, Suite 1300, Austin, Texas 78701, and Whole Security, with its principal place of business 5001 Plaza on the Lake, Suite 301, Austin, Texas 78746

1. Contract Scope and Term

This Contract sets forth the terms and conditions governing the acquisition of Confidence Online Software licenses and related services. Terms used in this document shall have the meanings set forth below in Section 2, Definitions. This Contract is available for use by all Customers.

The term of this Contract shall be two (2) years commencing on the date of approval by the parties. Prior to expiration of the original term, the parties may renew this contract, upon approval of DIR, for up to two (2) optional one-year terms. Upon termination of this Contract, all rights and obligations set forth herein shall survive in accordance with their terms as to procurements made by Customers prior to such termination.

2. Definitions

Terms used in this Contract shall have the following meanings:

- A. **DIR** - the Department of Information Resources
- B. **Customer** - any Texas State Agency and unit of local government as defined in §2054.003, Texas Government Code, including any state entity, which may be eligible to use this contract under an interagency contract.
- C. **Publisher** - Whole Security, Publisher of Confidence Online Software
- D. **Product** - any Confidence Online Software published by Publisher. Formally known as LANLord Software.
- E. **Services** - any value-added service that the Publisher may perform as related to products available under this Contract. For example: professional services, installation, maintenance and product training.
- F. **State Contract Administrator** - the individual as appointed by DIR to administer this Contract on behalf of the State of Texas and the Customers.
- G. **Publisher Contract Administrator** - the individual as appointed by the Publisher to administer this Contract on behalf of the Publisher.
- H. **Administrative Fee** - the fee used to defray DIR's cost of negotiating, executing and administering this contract.
- I. **Purchase Order** - the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, Electronic Purchase Order, or other authorized instrument).
- J. **Information Resources Technology (Technologies)** As defined in Texas Government Code §2054.003.

- K. **Day** Shall mean business days, Monday through Friday, except for State and Federal holidays. If the Contract calls for performance on a day that is not a business day, then performance is intended to occur on the next business day.
- L. **State** – refers to the State of Texas.
- M. **Software** – actual copy of, or any portion of, Publisher's computer programs delivered on media including, but not limited to, beta, prerelease or restricted versions, or final release, inclusive of backups, updates, or merged copies permitted hereunder or subsequently supplied by Publisher.

3. **Entire Agreement and Order of Precedence**

This Contract; Appendix A, Standard Clauses for Texas DIR Contracts; Appendix B, Software Subscription License Agreement; Appendix C, Software Product and Pricing; Appendix D, Pilot Deployment; and Publisher's response to DIR's ITN-DIR-TMP-02-033 constitute the entire agreement between the parties hereto. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, Appendix B, Appendix C, Appendix D, and finally Publisher's response to the ITN-DIR-TMP-02-033. No statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid. This Contract shall not be changed, modified or altered in any manner except by an instrument in writing executed by both parties hereto, with the approval of DIR.

The terms and conditions set forth herein shall govern all transactions by Customers under this Contract. Customers shall not have the authority to modify the terms of this Contract, except as to receive better terms or pricing for a particular procurement than those set forth herein. In such event, Publisher shall furnish a copy of such better offerings to DIR upon request. No additional term or condition of a purchase order issued by a Customer can weaken a term or condition of this Contract. In the event of a conflict between a Customer's purchase order and this Contract, the Contract term shall control.

4. **Product and Service Offerings**

Products available under this Contract are set forth as any Confidence Online Software item published by Publisher. Services include any value-added service that the Publisher may perform as related to products available under this Contract.

A. **Products**

Publisher will maintain a product list including pricing, product descriptions, and product specifications for all products offered under this Contract. The product list may be updated at any time during the term of this Contract to incorporate product model changes or product upgrades, addition of new products, and removal of obsolete or discontinued products.

B. **Services**

Examples of service include, but are not limited to: professional services, installation, maintenance and product training. Publisher will maintain a list including pricing and descriptions for all services offered under this Contract. The services list may be updated at any time during the term of this Contract to incorporate changes to the service offering.

Services provided for Customers hereunder shall be subject to a written description of the services and rates therefore which must be approved in writing by the Customer prior to provision of the services by the Vendor. Vendor expenses shall not be reimbursed unless such expenses are authorized in writing and in advance by the Customer.

Expenses, if any, reimbursed the Customer hereunder shall be reasonable, necessary and approved in advance and in writing by the Customer. Reimbursement shall not exceed current State of Texas Travel Guidelines for State employees. Such rates for fiscal years 2002 and 2003 shall not exceed eighty dollars (\$80.00) per night for hotel expenses, thirty dollars (\$30.00) per day for meal expenses, and will not include reimbursements for tips and/or gratuities. Unless the Customer otherwise agrees in writing, reimbursement of airfare will not exceed the cost of coach class airfare.

5. Contract Administration

DIR and the Publisher will each provide a Contract administrator to support this Contract. Information regarding the Contract administrators will be posted on the Internet web site designated for this Contract.

A. DIR Contract Administrator

DIR shall provide a Contract administrator whose duties shall include but not be limited to: i) supporting the marketing and management of this Contract, ii) advising DIR of Publisher's performance under the terms and conditions of this Contract, and iii) periodic verification of product pricing and monthly reports submitted by Publisher.

B. Publisher Contract Administrator

Publisher shall provide a dedicated Contract administrator whose duties shall include but not be limited to: i) supporting the marketing and management of this Contract, ii) facilitating dispute resolution between Publisher and a Customer, and iii) advising DIR of its performance under the terms and conditions of this Contract. DIR reserves the right to require a change in Publisher's then-current contract administrator if the assigned administrator is not, in the opinion of DIR, adequately serving the needs of the State.

6. Pricing

The Publisher will establish the price to the Customer under this Contract and shall be the lowest price offered from the Publisher to any governmental entity for the same product or service. Any violation of this provision may result in this Contract being terminated.

A. Customer Discount

Based on a quantity of one (1), the Customer discount from the Publisher for all products and services will be twenty five percent (25%) off Retail Price, as indicated Appendix C. Customer may negotiate more advantageous pricing for large volume purchases.

B. DIR Administrative fee

The DIR administrative fee specified in Section 10, Reporting and Administrative Fees, shall be included in the Customer Discount set forth herein. The administrative fee shall not be broken out as a separate line item when pricing or invoice is provided to Customer. Publisher agrees that any prices quoted to Customers under this Contract shall include the DIR Administrative Fee. In the event that Publisher quotes a price to Customer that does not include the DIR administrative fee, the Publisher shall reduce the amount of its invoice to the Customer by the applicable administrative fee

C. Shipping and Handling Fees

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be F.O.B. Customers destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery.

D. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 USC Secs. 4253(i) and (j).

E. Changes to Prices

Publisher may change the price of any product or service at any time, based upon changes to the Retail Price, but discount levels shall remain consistent with the discount levels specified in Paragraph A, Customer Discount, of this Section. Price decreases shall take effect automatically during this Contract term and Publisher shall pass all price decreases on to the Customer; provided, however, such price decreases shall not be retroactive.

Publisher may make product model changes and add new products or product upgrades at any time and the pricing for the same shall incorporate comparable price discount levels as specified in Section 6, Paragraph A, Customer Discount.

7. Order Processing and Payments

All Customer purchase orders will be placed directly with the Publisher. Accurate purchase orders shall be effective and binding upon Publisher when placed in the mail or electronically transmitted prior to the termination of this Contract period, unless Publisher notifies Customer within seven (7) days of receipt of the purchase order that it does not accept the purchase order.

Invoices shall be submitted by the Publisher directly to the Customer and shall be issued by the Publisher in compliance with Chapter 2251, Texas Government Code. All payments for products and/or services purchased under this Contract and provision of acceptance of such products and/or services shall be made by the Customer to the Publisher.

Invoices must be timely and accurate. Each invoice must match Customer's order and include any written changes that may apply, as it relates to products, prices and quantities. Invoices must include the Customer's purchase order number or other pertinent information for verification of receipt of the order by the Customer.

Customer(s) shall comply with Chapter 2251, Texas Government Code, in making payments to Publisher. Payment under this contract shall not foreclose the right to recover wrongful payments.

8. Software Licensing Agreement

Customers purchasing software license subscriptions under this Contract shall hold, use and operate such software subject to compliance with the Software Subscription Licensing Agreement set forth in Appendix B hereto. No changes to the License Agreement terms and conditions may be made unless previously agreed to between Publisher and DIR. Customers may not add, delete or alter any of the language in Appendix B. Publisher shall make the Software Subscription Licensing Agreement terms and conditions available to all Customers at all times.

Compliance with the Software Subscription Licensing Agreement is the responsibility of the Customer. DIR shall not be responsible for any Customer's compliance with the Software Subscription Licensing Agreement. If DIR purchases software licenses for its own use under this Contract, it shall be responsible for its compliance with the Software Subscription Licensing Agreement terms and conditions.

9. Internet Access to Contract and Pricing Information

Access by Customers to Contract terms and pricing information shall be made available and posted on the Internet. To that end, Publisher will be required to host the complete Contract product and service offerings, including pricing, at Publisher's Internet site. Internet access to this information will be provided including all subsequent changes to the product and services offerings and pricing during the term of this Contract at no cost to DIR, the State, and Customers.

A. Accurate and Timely Contract Information

Publisher warrants and represents that Contract and related information will be accurately and completely posted, maintained and displayed in an objective and timely manner which renders it clearly distinguishable from other, non-Contract offerings at Publisher's web site.

B. Price Data Retention and Compliance Checks

Periodic Compliance Checks of the information posted for this Contract on Publisher's web site will be conducted by DIR. Upon request by DIR, Publisher shall provide verifiable documentation that pricing listed upon this site is uniform with the Customer Discount as stated in Section 6A.

C. Web Site Changes

Publisher hereby consents to a link from the DIR web site to Publisher's web site in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of the State. DIR reserves the right to terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. DIR will provide Publisher with subsequent notice of link termination or removal. Publisher shall provide DIR with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

D. Use of Access Data Prohibited

If Publisher stores, collects or maintains data electronically as a condition of accessing State Contract information, such data shall only be used internally by Publisher for the purpose of implementing or marketing the State Contract, and shall not be disseminated to third parties or used for other marketing purposes. This Contract constitutes a public document under the laws of the State and Publisher shall not restrict access to the Contract terms and conditions including pricing, i.e., through use of restrictive technology or passwords.

E. Responsibility for Content

Publisher is solely responsible for administration, content, intellectual property rights, and all materials at Publisher's web site. Publisher is solely responsible for its actions and those of its agents, employees, Publisher agrees that neither Publisher nor any of the foregoing has any authority to act or speak on behalf of DIR or the State. DIR requires Publisher to list all information on the web site, such as: company name, address, contact information, phone and fax number, email address, State Vendor ID number, and other applicable information as deemed necessary by DIR. DIR also reserves the right to require a change of listed content if, in the opinion of DIR, it does not adequately represent this Contract.

10. Reporting and Administrative Fees

Publisher shall be responsible for reporting all products and services purchased under this Contract. The failure to file the monthly reports, subcontract reports, and pay the administrative fees on a timely basis will constitute grounds for suspension or termination of the contract for cause. If Publisher submits three (3) consecutive monthly reports incorrectly, DIR reserves the

right to suspend or terminate this contract for cause. Publisher's liability for any breach of this section is limited to the amount of administrative fees owed to DIR by Publisher.

DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to, compliance checks of Publisher's applicable Contract books.

A. Detailed Monthly Report

Publisher shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under this Contract for the previous month period. Reports shall be submitted to the DIR Go DIRect coordinator. Reports are due on the fifteenth (15th) day after the close of the previous month period. It is the responsibility of Publisher to collect and compile all sales under this Contract and submits one (1) monthly report. The monthly report shall include the sales for the period, each Customer name, order date, ship date, description, part numbers, quantity, unit price, extended price, Customer purchase order number, contact name, Customer's complete billing address, and other information as required by DIR. Each line item sale must contain all information listed above or the report will be rejected and returned to the Publisher for correction.

B. DIR Administrative Fee

An administrative fee shall be paid by Publisher to DIR to defray the DIR costs of negotiating, executing, and administering this Contract. All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Publisher. Any change in the administrative fee shall be incorporated in the price to the Customer.

Publisher will pay DIR, on the fifteenth (15th) day after the close of the previous month period, a two percent (2%) administrative fee based on the dollar value of all sales to Customers pursuant to this Contract. Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$2,000.

11. Notices

All notices, demands, designations, certificates, requests, offers, consents, approvals and other instruments given pursuant to this Contract shall be in writing and shall be validly given on i) the date of delivery if delivered by email, facsimile transmission, mailed by registered or certified mail, or hand delivered, or (ii) three business days after being mailed via United States Postal Service. The parties may from time to time, specify any address in the United States as its address for purpose of notices under this Contract by giving fifteen (15) days written notice to the other party.

If sent to the State:

Patrick W. Hogan
Department of Information Resources
300 W. 15th St., Suite 1300
Austin, Texas 78701
Phone: (512) 475-4700
Fax: (512) 475-4759
Email: patrick.hogan@dir.state.tx.us

If sent to the Publisher:

James D. Mann
Whole Security, Inc.
5001 Plaza on the Lake, Suite 301
Austin, Texas 78746
Phone: (512) 874-7400
Fax: (512) 874-7401
Email: james.mann@wholesecurity.com

12. Captions

The captions contained in this Contract are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.

13. **Choice of Law**

The law of the State of Texas shall govern the construction and interpretation of this Contract. Nothing herein shall be construed to waive the state's sovereign immunity.

IN WITNESS WHEREOF, the parties therefore hereby execute their mutual agreement to the terms of this Contract. This agreement shall be executed and shall be a binding Contract between the parties.

Whole Security, Inc.

**The State of Texas, acting by and through the
Department Of Information Resources**

Date: 3-12-03

Date: 3/11/03

By: J. Peter Senda

By: Patrick W. Hogan


Name: J. PETER SENDA

Name: Patrick W. Hogan

Title: PRESIDENT + CEO

Title: Director of Business Operations

Legal:

8h
3/11/03 

APPENDIX A

**STANDARD CLAUSES
STATE OF TEXAS, DIR CONTRACTS**

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Appendix A

STANDARD CLAUSES FOR TEXAS DIR CONTRACTS

The parties to the attached Contract, amendment or other agreement of any kind (hereinafter, "this Contract") agree to be bound by the following clauses which are hereby made a part of this Contract.

1. INDEMNIFICATION CLAUSE. Publisher shall defend, indemnify and hold harmless the State of Texas, its officers, agents, and employees from and against all claims, actions, suits, demands, proceeding, costs, damages and liabilities, including attorneys fees, for personal injury or tangible property damage arising out of, or resulting from any willful misconduct or negligent acts or omissions of the Publisher or its agents, employees, subcontractors, Publishers, or suppliers of subcontractors in the execution or performance of this Contract and any Purchase Order(s) issued under this Contract.

The Publisher shall defend, indemnify and hold harmless the State of Texas, its officers, agents and employees, from any and all claims involving infringement of patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the use of any product or service supplied by the Publisher. Publisher agrees to defend against any and all such claims at Publisher's expense, whether or not such claims become the subject of litigation. DIR will provide reasonable assistance in the defense of such claims if so requested by the Publisher. Publisher agrees to coordinate defense with the Texas Office of Attorney General, as may be requested by DIR.

2. NON-ASSIGNMENT CLAUSE. This Contract shall be entered into and be binding upon the successors of the parties. Publisher may not assign this Contract without the prior written consent of DIR, which if to be granted, will not be unreasonably delayed. Any attempt to assign this Contract without the written consent of DIR is null and void.

3. NO QUANTITY GUARANTEES. This Contract is not exclusive to the named Publisher. Customers may obtain Information Resources Technologies from other sources during the Contract term. DIR makes no express or implied warranties whatsoever that any particular number of Purchase Orders will be issued or that any particular quantity or dollar amount of Information Resources Technologies will be procured through the Contract.

4. CONFIDENTIALITY CLAUSE. Publisher acknowledges that DIR is a government agency subject to the Texas Public Information Act. Publisher also acknowledges that DIR will comply with the Public Information Act, and with all opinions of the Texas Attorney General's office concerning this Act.

Under the terms of this Contract, DIR may provide Publisher with information related to Customers. Publisher shall comply with all State of Texas privacy policy guidelines, including, but not limited to, the requirement

that Publisher shall not re-sell or otherwise. To the extent allowed by State law, DIR and each Customer shall comply with Publisher's confidentiality terms and conditions set forth in the Software Licensing Agreement.

5. PUBLISHER CERTIFICATIONS.

Publisher certifies (i) it has not given, offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; (ii) it is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under §231.006 of the Texas Family Code and acknowledges this Contract may be terminated and payment withheld if this certification is inaccurate; (iii) neither it, nor anyone acting for it, has violated the antitrust laws of the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage; (iv) it has not received payment from DIR or any of its employees for participating in the preparation of this Contract; (v) it is not ineligible to receive this Contract under § 2155.004, Texas Government Code; (vi) it is in compliance with §618.003, Texas Government Code; (vii) it will comply with §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of this Contract; and (viii) to the best of the Publisher's knowledge and belief, there are no suits or proceedings pending or threatened against or affecting the Publisher, which if determined adversely to the Publisher will have a material adverse effect on the ability of the Publisher to fulfill its obligations under this Contract.

6. EQUAL OPPORTUNITY COMPLIANCE.

Publisher agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal laws and the laws of the State in which its primary place of business is located. In accordance with such laws, regulations, and executive orders, the Publisher agrees that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, age, veteran status or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by Publisher under this Contract. If Publisher is found to be not in compliance with these requirements during the term of this Contract, Publisher agrees to take appropriate steps to correct these deficiencies. Upon request, Publisher will furnish information regarding its nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

7. TECHNOLOGY ACCESS CLAUSE, AS REQUIRED BY §2157.005, TEXAS GOVERNMENT CODE. (Applicable to State Agency Purchases Only) Publisher expressly acknowledges and agrees that State funds may not be expended in connection with the purchase

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of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, the Publisher represents and warrants to DIR and each Customer purchasing products under this Contract that the technology provided hereunder is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology of: (i) providing equivalent access for effective use by both visual and non-visual means; (ii) presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and (iii) being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For the purposes of this section, the phrase "equivalent access means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples, of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical display and customizable display appearance.

8. COMMODITY SOFTWARE. Texas Government Code, §2157.068 requires State agencies to buy commodity software in accordance with contracts developed by DIR, unless the agency obtains a waiver from DIR. Publisher shall agree to coordinate all agency commodity software sales made pursuant to this Contract through existing DIR contracts, if available. Publisher represents it will not license through a signed or unsigned license agreement, volume licensing agreement or an order confirmation, the commodity software to state agencies unless the agency is able to provide a DIR granted waiver that the agency is able to purchase the commodity software outside the DIR Commodity Software contracts. The operating system software and institutions of higher education are not bound to this Code.

9. RECORDS. The Publisher shall maintain adequate records to establish compliance with this Contract until the later of a period of four years after termination of this Contract or until full, final and unappealable resolution of all Compliance Check or litigation issues that arise under this Contract. Such records shall include identification of the procuring Customer, documentation of the Customer's ordering date, Customer Purchase Order number, order date of product or service, ship date or service delivery date, full invoice address, name of participating Publisher for the procurement, unit price, extended price, participating Publisher invoice number, record of procuring Customer payment and/or balance due, the calculations supporting each administrative fee owed DIR under this Contract, Historically Underutilized Businesses Subcontracting reports, and such other documentation as DIR may request.

Publisher shall grant access to all paper and electronic records, books, documents, accounting procedures,

practices and any other items relevant to the performance of this Contract to DIR, the compliance checks designated by DIR, including compliance checks of the State Auditor's Office and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Copies and printouts requested by DIR shall be provided by Publisher without charge. DIR shall provide Publisher ten (10) business days' notice prior to inspecting, Compliance Checking, and/or copying Publisher's records. Publisher's records, whether paper or electronic, shall be made available during regular office hours. Publisher personnel familiar with the Publisher's books and records shall be available to DIR staff and designees as needed. Publisher shall provide adequate office space to DIR staff during the performance of Compliance Check.

If any inspection or Compliance Check performed hereunder reveals an aggregate overcharge to a Customer of .5% or greater, or an aggregate underpayment to DIR of its administrative fee of .5% or greater, then the cost of such Compliance Check or inspection, including, but not limited to, the salary and associated overhead of DIR staff performing the Compliance Check or inspection, shall be reimbursed to DIR within thirty (30) days from receipt of an invoice from DIR reflecting the cost of the Compliance Check or inspection.

For procuring State Agencies whose payments are processed by the Texas Comptroller of Public Accounts, the volume of payments made to Publisher through the Texas Comptroller of Public Accounts and the administrative fee based thereon shall be presumed correct unless Publisher can demonstrate to DIR's satisfaction that Publisher's calculation of DIR's administrative fee is correct.

10. ABILITY TO CONDUCT BUSINESS IN TEXAS. The Publisher is an entity authorized and validly existing under the laws of its state of organization, and is authorized to do business in the State of Texas. The Publisher is a "Qualified Information Systems Vendor" as defined in §2157.001, Texas Government Code. All computer networking products and services offered to Customers under this Contract are listed in Publisher's catalogue on file with the Texas Building and Procurement Commission.

11. QUOTATIONS, WARRANTY, AND RETURN POLICIES. Publisher will adhere to their then-currently published policies concerning quotations, warranties, and return policies. Warranty and return policies for Customers will not be more restrictive or more costly than those warranty and return policies maintained by Publisher for other similarly situated Customers for like products or services.

12. INVALID TERM OR CONDITION. If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected and shall be valid and enforceable.

Appendix A

13. ENFORCEMENT OF CONTRACT AND DISPUTE RESOLUTION.

Publisher and DIR agree to the following (i) a party's failure to require strict performance of any provision of this Contract shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision; (ii) for disputes not resolved in the normal course of business, the dispute resolution process provided for in Chapter 2260, Texas Government Code, shall be used; (iii) the laws of the State of Texas shall govern this Contract; (iv) actions or proceedings arising from this Contract shall be heard in a court of competent jurisdiction in Travis County, Texas; and (v) nothing herein shall be construed to waive the State's sovereign immunity.

14. ENTIRETIES. The Contract supercedes all prior agreements, representations or promises, whether oral or written, made by the parties regarding the subject matter of this Contract.

15. MODIFICATION OF CONTRACT TERMS AND/OR AMENDMENTS. The terms and conditions set forth in the Contract shall govern all transactions by Customers under this Contract. The Contract may only be modified or amended upon mutual agreement of DIR and Publisher. Additional Customer terms and conditions, which do not conflict with the contract, may be added by a Purchase Order and given effect upon the consent by Publisher. For individual Purchase Orders, however, the Publisher may offer Customers more advantageous pricing and/or payment options than those set forth in the Contract. In such event, Publisher shall furnish a copy of such better offerings to DIR upon request.

16. DIR LOGO. Publisher may use the DIR logo in the promotion of this Contract to Customers with the following stipulations; (i) the logo may not be modified in any way; (ii) when displayed, the size of the DIR logo must be equal to or smaller than the Publisher logo; (iii) the DIR logo is only used to communicate the availability of computer networking products and services under this Contract to Customers; and (iv) any other use of the DIR logo requires prior written permission from DIR.

17. PUBLISHER LOGO. DIR may use the Publisher's name and logo in the promotion of this Contract to communicate the availability of Products under this Contract to Customers. Use of the logo may be on the DIR Web Site or on printed materials. Any use of Publisher's Logo by DIR must comply with and be solely related to the purposes of this Contract and any usage guidelines communicated to DIR from time to time. Nothing contained in this Contract will give DIR any right, title, or interest in or to Publisher's trademarks or the goodwill associated therewith, except for the limited usage rights expressly provided by Publisher.

18. SITE PREPARATION. Customer(s) shall prepare and maintain its site in accordance with written instructions furnished by Publisher(s) prior to the scheduled delivery date of any product or service and shall bear the costs associated with the site preparation.

19. TRAINING AND TRADE SHOW PARTICIPATION.

Publisher may be required to provide product overview training to DIR at no cost. The training will be held within the Austin, Texas area at times mutually acceptable to DIR and Publisher.

Publisher understands and agrees that it must participate by providing a manned booth display or similar presence at no less than two (2) trade shows or similar functions sponsored by DIR each calendar year at the Publisher's expense. Publisher must display the DIR logo at all trade shows. DIR reserves the right to approve or disapprove of the location of the use of the DIR logo in or on the Publisher's booth.

20. USE OF SUBCONTRACTORS. Publisher may subcontract installation, training, warranty, or maintenance services. However, Publisher shall remain solely responsible for the performance of its obligations under this Contract. If Publisher uses any subcontractors, Publisher shall satisfy DIR that it has complied and maintains compliance with the DIR HUB Subcontracting Plan.

21. FORCE MAJEURE. DIR, Customer, or Publisher may be excused from performance under this contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties immediately. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase Order if it is reasonably determined by the Customer that Publisher will not be able to deliver product or services in a timely manner to meet the business needs of the Customer.

22. TERMINATION FOR NON-APPROPRIATION. Customer may terminate Purchase Orders and DIR may terminate this Contract if funds sufficient to pay obligations hereunder are not appropriated by the legislative body on behalf of local governments, or by the Texas legislature on behalf of state agencies. In the event of non-appropriation, Publisher will be provided ten (10) days written notice of intent to terminate.

23. TERMINATION FOR CONVENIENCE. Either party may terminate this Contract, in whole or in part, by giving the other party thirty (30) days written notice. A Customer may terminate a Purchase Order if it is reasonably determined by the Customer that Publisher will not be able to deliver product or services in a timely manner to meet the business needs of the Customer.

24. TERMINATION FOR CAUSE. Either DIR or Publisher may issue a written notice of default to the other upon the occurrence of a material breach of any covenant,

Appendix A

warranty or provision of this Contract or a Purchase Order arising hereunder. The non-defaulting party shall give the defaulting party thirty (30) days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate this Contract. Customers hereunder have no power to terminate this Contract for default. Customer's rights are exclusively based on their Purchase Order.

25. CUSTOMER RIGHTS UNDER TERMINATION.

In the event this Contract expires or is terminated for any reason, a Customer shall retain its rights under the Purchase Order issued with respect to all products or services ordered and accepted prior to the effective termination date.

26. PUBLISHER RIGHTS UNDER TERMINATION.

In the event this Contract expires or is terminated for any reason, a Customer shall pay all amounts due for products or services ordered prior to the effective termination date and ultimately accepted.

27. SURVIVAL. All warranty and/or service agreements, if any, that were entered into between Publisher and a Customer under the terms and conditions of this Contract shall survive the termination of this contract if applicable.

28. HANDLING OF WRITTEN COMPLAINTS. In addition to other remedies contained in this Contract, a person contracting with DIR may direct their written complaints to the following office:

Public Information Office
Department of Information Resources
Attn: Matt Kelly
300 W. 15th Street, Suite 1300
Austin, TX 78701
(512) 936-6550, voice
(512) 475-4759, fax
Email: matt.kelly@dir.state.tx.us

Appendix B
SOFTWARE SUBSCRIPTION LICENSE
AGREEMENT

WHOLESECURITY, INC.

5001 Plaza on the Lake, Suite 301

Austin, TX 78746

("WholeSecurity")

CUSTOMER

("Customer")

1. SCOPE OF AGREEMENT

- a. This Software License Agreement (the "Agreement"), sets forth the terms and conditions under which the parties agree that WholeSecurity will: (i) grant the Customer identified above, a license to access and use WholeSecurity's proprietary software and documentation (the "Software") specifically identified in one or more separately executed schedules hereto (the "Schedules"); (ii) provide to Customer certain Maintenance services as set forth in Section 3; and (iii) provide to Customer such other services as may be mutually agreed to by the parties from time to time as specifically identified in a Schedule. Each Schedule shall be governed by this Agreement and any applicable amendments or attachments hereto (collectively, the "Agreement"). In the event of a conflict between the terms and conditions of the Agreement and a given Schedule, the terms and conditions of the applicable Schedule shall prevail.
- b. Texas law shall govern this agreement, to the extent any provisions of this license agreement is inconsistent with Texas law, it is ineffective and unenforceable between the parties.

2. LICENSE GRANT AND RIGHTS OF USE

- a. Subject to the terms and conditions of this Agreement, WholeSecurity grants to Customer, as of the Effective Date (as specified on the schedule) and for the term specified on the Schedule, a nonexclusive, nontransferable, nonsublicenseable, limited license to install and use the object code version of the Software on the number of computers for which Customer has paid license fees.
- b. Customer may use the Software only for Customer's own internal business purposes. Unless otherwise expressly permitted in this Agreement, Customer shall not: (i) use the Software to process or permit the Software to process data for any third party; (ii) use the Software in operation of a service bureau; or (iii) permit any subsidiaries, affiliated entities, or third parties to use the Software.
- c. Customer shall not permit any part of the Software to be reproduced, modified, translated, decompiled, disassembled, adapted, reverse engineered, distributed, displayed, published, transferred, or otherwise used, in any form or by any means, without WholeSecurity's prior written permission, except as might be expressly provided to the contrary in this Agreement or in a separate written agreement between the parties.
- d. Customer may make a reasonable number of copies of the Software for back-up or archival purposes.
- e. All rights except those expressly granted to Customer hereunder are reserved by WholeSecurity.

3. MAINTENANCE AND OTHER SERVICES

- a. Maintenance. Subject to Customer's payment of the fees specified on the applicable Schedule(s), WholeSecurity shall provide Customer with the following maintenance services ("Maintenance") during the period ending twelve (12) months from the Effective Date or as otherwise set forth on the Schedule(s) (the "Initial Maintenance Period").
 - i) Changes and corrections to the Software as are required to (A) keep the Software conforming in all material respects to applicable documentation, and (B) corrections to reported problems that are replicated and diagnosed by WholeSecurity as defects in the Software; and
 - ii) Updates, new releases and enhancements to the Software, which WholeSecurity does not separately price or market and which are made available to WholeSecurity's general client base for the WholeSecurity products licensed by Customer hereunder.

All corrections, modifications, releases, refinements and enhancements shall be referred to and included in the definition of "Software".

Upon expiration of the Initial Maintenance Period, Maintenance shall automatically renew for subsequent annual terms ("Maintenance Renewal Period") at WholeSecurity's then current fees in effect at the time of renewal unless Customer terminates Maintenance, in writing, at least forty-five (45) days prior to the effective date of the applicable Maintenance Renewal Period.

- b. Support. Maintenance also includes "Support" for the Software. For purposes of this Agreement, "Support" shall mean that WholeSecurity shall provide Customer with reasonable technical assistance via telephone, email or other means of electronic communication, to assist Customer in the use of the Software. Support will be provided, Monday through Friday, from 8:00 AM to 6:00 PM (CST), exclusive of those holidays observed by WholeSecurity. Support will be provided to two (2) employees identified in writing as Customer's support representatives (the "Support Representatives"). Customer will designate replacement Support Representatives by written notice to WholeSecurity.

WholeSecurity shall not be obligated to provide Maintenance for any software other than the Software delivered to Customer by WholeSecurity. Except to the extent WholeSecurity modifies the Software pursuant to the provision of Maintenance, WholeSecurity shall not be obligated to provide Maintenance for Software that has been customized by WholeSecurity or modified by Customer or any party other than WholeSecurity.

- c. Other Services. WholeSecurity may agree to provide Customer with other mutually agreed upon Services as set forth in a Schedule. To the extent reasonably required by WholeSecurity, Customer will make available to WholeSecurity certain of its facilities, computer resources, software programs, personnel, and business information as are reasonably required by WholeSecurity to perform any Services hereunder. WholeSecurity agrees to comply with Customer's rules and regulations regarding safety, security, and conduct, provided WholeSecurity is informed of such rules and regulations. WholeSecurity shall have the right to use third parties in the performance of any Services hereunder and, for purposes of such services, all references to WholeSecurity shall be deemed to include such third parties.

4. FEES AND PAYMENT

- a. License fees will be charged to Customer as specified in the applicable Schedule. Maintenance fees will be charged as set forth in Section 3.a. Any extension in Customer's rights of use, including any additional licenses will require payment of additional fees in accordance with WholeSecurity's then current terms and fees unless otherwise set forth in a Schedule. Fees for Services shall be charged as set forth on the applicable Schedule or Work Order. Unless otherwise specified on a Schedule or Work Order, Customer shall reimburse WholeSecurity for all actual, reasonable, out-of-pocket expenses incurred by WholeSecurity in providing such Services. Travel reimbursements shall be in accordance with Section 4 item B of the DIR Contract DIR-VPC-03-023.
- b. Payment of all fees and charges under this Agreement shall be made in US Dollars and shall be made pursuant to Chapter 2251.76C after receipt of WholeSecurity's applicable invoice.
- c. The prices and charges hereunder do not include any amount for taxes or duties. If Customer is exempt from all Federal Excise Taxes and the Texas Limited Sales and Use Tax under the provisions of Section 151.309 of the Texas Tax Code, the Schedule USC 4253 (i) and(j) will be marked as exempt. If exempt, all invoices submitted by WholeSecurity shall exclude these taxes. If non-exempt and any duty, sales, use, excise, property, withholding or other tax, penalty or interest, is, or should ultimately be, assessed against or is required to be collected by WholeSecurity or by any taxing authority in connection with its performance required hereunder, Customer agrees to pay any and all such charges. This paragraph does not apply to WholeSecurity's income or franchise taxes or to taxes for which Customer provides WholeSecurity a valid tax exemption certificate.

5. CONFIDENTIALITY

The Software and all intellectual property rights related thereto, and any business, operational or technical information provided to Customer by WholeSecurity hereunder (the "Proprietary Information") constitute trade secrets and proprietary data of WholeSecurity and any third party from whom WholeSecurity has received marketing rights (the "Third Party Licensors") and nothing in this Agreement shall be construed to convey any title or ownership rights to Customer. Customer will use commercially reasonable efforts to safeguard the confidentiality of WholeSecurity's Proprietary Information, including those taken by Customer to protect Customer's own confidential information. Customer will not disclose, in whole or in part, any item of the Software or Proprietary Information to any individual, entity or other person, except as set forth herein or to those Customer consultants who (a) require access for Customer's authorized use of the Proprietary Information, (b) agree in writing to comply with the use and non-disclosure provisions no less restrictive than those set forth in this Agreement, and (c) are not competitors of WholeSecurity. If any unauthorized use or disclosure occurs, Customer will immediately notify WholeSecurity and assist WholeSecurity in recovering the Proprietary Information and preventing its subsequent unauthorized use or dissemination.

- a. WholeSecurity agrees to maintain the confidentiality of the business, operational, and financial materials and data provided by Customer to WholeSecurity hereunder, provided such information is marked or otherwise identified in writing by Customer as confidential or proprietary (also referred to as "Proprietary Information"). WholeSecurity shall use commercially reasonable efforts to confine knowledge of such Customer Proprietary Information to only its employees and third party consultants who require such knowledge and use in the ordinary course and scope of their employment and/or business with WholeSecurity.
- b. The parties acknowledge that in the event either party fails to fulfill its obligations under this Section, the non-breaching party (including the Third Party Licensors) shall have the right to take all reasonable steps to protect their proprietary interests, including, but not limited to, seeking injunctive relief and any other remedies as may be available at law or in equity.

- c. Either party's obligations to maintain the confidentiality of the other party's Proprietary Information shall not apply where the Proprietary Information (i) was placed in the public domain by the owner of such information prior to the disclosure; (ii) was independently developed by the other party without knowledge of the Proprietary Information; (iii) becomes available without breach of this Agreement; (iv) is rightfully received by the other party from a third party without an obligation of confidentiality or (e) is demanded by a lawful order from any court or any body empowered to issue such an order. Each party agrees to notify the other promptly of the receipt of any such order, and to provide the other with a copy of such order.

6. TERMINATION

- a. Either party may terminate this Agreement or any Schedule hereunder:
 - i) Upon thirty (30) days' prior written notice to the other party, if the other party is in material breach under this Agreement (including Customer's failure to make payment when due) and fails to cure such material breach within thirty (30) days after delivery of such written notice; or
 - ii) If the other party files a petition for bankruptcy or insolvency, has an involuntary petition filed against it, commences an action providing for relief under bankruptcy laws, files for the appointment of a receiver, or is adjudicated a bankrupt concern.
- b. WholeSecurity may terminate this Agreement or any Schedule pursuant to Section 8.a.
- c. Upon expiration or termination of this Agreement or any Schedule, Customer shall: (i) immediately stop using the Software; (ii) ensure that all of Customer's users immediately stop using the Software; and (iii) return to WholeSecurity the original and all permitted copies of the Software and Proprietary Information in Customer's possession, custody or control or (iv) in lieu of returning the Software and Proprietary Information as specified in the immediately preceding items (ii and iii), destroy all such copies and certify in writing, such destruction, signed by an officer of Customer. If consistent with Texas law.
- d. Termination of this Agreement or any license hereunder shall not: (i) release either party from any claim (e.g., including but not limited to any claim for payment) of the other party accrued hereunder prior to the effective date of such termination; or (ii) affect the rights and obligations set forth in Sections 4, 5, 6, 7, 9 and 10 which shall survive termination; or (iii) except as set forth in Section 8.a, entitle Customer to a refund of any fees paid by Customer to WholeSecurity.

7. WARRANTIES

- a. WholeSecurity warrants that:
 - i) It has the right to enter into this Agreement and grant the licenses hereunder;
 - ii) For the period ending thirty (30) days from the Effective Date, the Software will perform substantially as described in the applicable documentation. Customer shall promptly notify WholeSecurity in writing of any alleged nonperformance. To the extent, (i) the Software is being used in accordance with the documentation, and (ii) Customer is current on all fees payable, hereunder, WholeSecurity shall, at its own cost and expense, make every commercially reasonable effort to correct such non-performance or if necessary, replace the nonperforming Software.
- b. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH ABOVE, WHOLESECURITY AND ITS THIRD PARTY LICENSORS HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (IMPLIED, STATUTORY OR OTHERWISE), INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY, NONINFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE. WholeSecurity does not warrant that the Software, will meet the requirements of Customer, or that operation will be uninterrupted or error-free.

8. WHOLESECURITY INDEMNIFICATION

- a. Subject to Section 9 below, WholeSecurity will indemnify, defend and hold Customer harmless from any action brought against Customer that is based on a claim that the Software, when used within the scope of this Agreement (and not in combination with any non-WholeSecurity programs), infringes a United States patent, copyright, or trade secret. WholeSecurity will pay those costs and damages finally awarded against Customer that are attributable to any such claim, provided Customer gives WholeSecurity prompt written notice of any claim and WholeSecurity shall have sole control of the defense, settlement or compromise of any such claim. Customer may elect to participate in any such action with an attorney of its own choice and at its own expense. If the Software becomes, or, in WholeSecurity's opinion, is likely to become, the subject of a claim of infringement, WholeSecurity may, at its option (i) procure for Customer the right to continue using the Software; or (ii) replace or modify the Software to make it non-infringing; or if neither (i) nor (ii) are commercially reasonable, (iii) terminate the license for the Software and refund the license fees paid for the infringing Software less one-thirty-sixth (1/36th) for each month or any portion thereof that the license has been in effect.
- b. WholeSecurity's indemnification obligations shall not apply to any claim of infringement resulting from: (a) the combination of the Software with other products or services (to the extent that the claim is based upon such combination); (b) use of the Software if it has been modified, altered, enhanced or changed in any way by anyone other than WholeSecurity; (c) use of the Software in a manner not provided for in this Agreement or the

documentation; or (d) use of other than the most current, release of the Software, if such claim would have been avoided by use of the most current release.

- c. The foregoing states the entire liability of WholeSecurity with respect to any claim of infringement regarding the Software.

9. LIMITATIONS ON LIABILITY

- a. EXCEPT WITH RESPECT TO WHOLESECURITY'S OBLIGATIONS UNDER SECTION 8, AND NOTWITHSTANDING THE FORM (E.G., CONTRACT, TORT (INCLUDING NEGLIGENCE) STATUTORY LIABILITY OR OTHERWISE) IN WHICH ANY LEGAL OR EQUITABLE ACTION MAY BE BROUGHT AGAINST WHOLESECURITY, NEITHER WHOLESECURITY NOR ITS THIRD PARTY LICENSORS SHALL BE LIABLE HEREUNDER FOR DAMAGES WHICH EXCEED, IN THE AGGREGATE, THE FEES PAID BY CUSTOMER FOR THE SPECIFIC SOFTWARE OR SERVICES WHICH GAVE RISE TO SUCH DAMAGES.
- b. IN NO EVENT SHALL WHOLESECURITY OR ITS THIRD PARTY LICENSORS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE DAMAGES, OR FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO THOSE FOR BUSINESS INTERRUPTION OR LOSS OF PROFITS, EVEN IF WHOLESECURITY HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGE.

10. GENERAL PROVISIONS

- a. Export. Customer shall comply with all then current Export Laws and Regulations of the United States Government pertaining to the Software. Customer hereby certifies that it will not directly or indirectly, export, re-export, or otherwise transfer the Software or related information, media, or products in violation of United States laws, rules, and regulations.
- b. Force Majeure. Neither party shall be liable to the other for any delay or failure to perform its obligations hereunder if such delay or failure arises from any cause or causes beyond that party's reasonable control.
- c. Notices. All required notices under this Agreement shall be sent to the recipient party's address stated in this Agreement, unless otherwise changed in writing. All notices shall be given by certified or registered mail, or overnight carrier. Such notices shall be deemed given on the date of receipt of delivery of said notice.
- d. Waiver of Breach. No breach or provision of this Agreement shall be deemed waived, modified or excused, unless such waiver, modification or excuse is in writing and signed by an authorized representative of the waiving, modifying or excusing party.
- e. Severability. If any portion of this Agreement is determined to be or becomes unenforceable or illegal, such portion shall be deemed eliminated and the remainder of this Agreement shall remain in effect in accordance with its terms as modified by such deletion.
- f. Assignment. Customer may not assign or transfer its rights or obligations under this Agreement without WholeSecurity's prior written consent. Such consent shall not be unreasonably withheld.
- g. Miscellaneous. All notices required to be given under this Agreement shall be given in writing. This Agreement and the Schedules constitute the final, complete and exclusive statement of the Agreement between the parties with respect to the subject matter hereof and cannot be altered, amended, or modified except in writing signed by an authorized representative of each party. The terms and conditions of any purchase order or other instrument issued by Customer in connection with this Agreement that are in addition to or inconsistent with the terms and conditions of this Agreement are null and void and shall not be binding on WholeSecurity, unless mutually agreed to in writing by WholeSecurity. This Agreement will be governed by and construed in accordance with the laws of the State of Texas without giving effect to principles of conflict of law. This Agreement expressly excludes and disclaims the terms of the UN Convention on Contracts for the International Sale of Goods, which Convention shall not apply to any transaction under this Agreement. Venue for any legal action (exclusive of appeals) arising out of this Agreement shall lie in the state and federal courts in Travis County, Texas. By signing below, each of the parties acknowledges that it has read, understands and agrees to this Agreement as being effective for all purposes as of the date of signing.

Agreed to By:
WHOLESECURITY, INC.

By: _____

(Signature)

(Name typed or printed)

(Title)

(Date)

Customer

By: _____

(Signature)

(Name typed or printed)

(Title)

(Date)

Appendix C

SOFTWARE PRODUCTS AND PRICING

DIR Discounted Subscription Pricing

SOFTWARE: Confidence Online Software / Formally known as AntiTrojan Enterprise Edition

EFFECTIVE DATE:

TERM: Three (3) years

<u>Client Software</u>	<u>Retail Price</u>	<u>DIR Discount</u>	<u>DIR Price</u>
	\$ 20	25%	\$15. per user per year
Active X and/or Desktop Executable	\$15.00 per user per year for 3 years		

Server Software

Unix Platform Included in Annual Subscription Price

Maintenance

For 3 Years Included in Annual Subscription Price

Installation Services:

Less than 10,000 seats:	\$ 5,000
10,001- 100,000 seats:	\$ 10,000
Greater than 100,000 seats:	\$ 20,000

<u>Total Cost:</u>	$(\text{Number of Users}) * (\$15.00 \text{ per user}) * (3 \text{ Years}) + \text{Installation Fee}$
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Appendix D

PILOT DEPLOYMENT - CONFIDENCE ONLINE AT ENTERPRISE EDITION:

PILOT SCOPE AND FEES: A pilot license of Confidence Online AT Enterprise Edition will be granted to a Customer for a period of 30 days from installation date ("Pilot"). Pilot fees are \$15 per user plus installation fees as indicated below. Upon completion of the Pilot, Licensee may fully license the Software for a period of three (3) years for the DIR then current pricing per user per year, or discontinue use of the Software. Upon completion of Pilot and full license of the Software, the Pilot fee and installation fee will be applied to and deducted from the full License fee and installation fee.

PILOT INSTALLATION SERVICES:

Less than 10,000 seats:	\$ 5,000
10,001- 100,000 seats:	\$ 10,000
Greater than 100,000 seats:	\$ 20,000